

Message Text

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43

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O 241345Z OCT 74

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 8725

C O N F I D E N T I A L TEHRAN 9023

EXDIS

E.O. 11652: GDS

TAGS: EAGR, ETRD

SUBJ: VOLUNTARY COOPERATION SYSTEM FOR US GRAIN EXPORTS

REF: A. STATE 233043 B. TEHRAN 8970

1. AGRICULTUREAL ATTACHE MET TODAY WITH ALIZADEH WHO CONFIRMED THAT GOI HAS BOUGHT A TOTAL 2.1 TO 2.2 MILLION M.T. OF US WHEAT FOR THE 12 CALENDAR MONTHS ENDING SEPTEMBER 30, 1975. HE FURTHER INDICATED THAT ALL WHEAT IS FOR DOMESTIC CONSUMPTION AND NONE FOR STOCK PILING. AT MOST, GOI HAS ONLY 700,000 M.T. SILO CAPACITY AND TODAY THESE SILOS ARE VIRTUALLY EMPTY. KNOWN SILO CAPACITY IS EQUIVALENT TO ONE AND ONE HALF MONTHS NEEDS. THIS AMOUNT, ACCORDING TO ALIZADEH, COULD HARDLY BE CONSIDERED AS EXCESSIVE DUE TO LONG SHIPPING DISTANCE FOR IMPORTED WHEAT AND HIGH DEGREE SUSCEPTIBILITY IRAN'S WHEAT CROP TO RAINFALL, I.E. MOSTLY DRY LAND WHEAT. MOREOVER, WHEAT DISTRIBUTION SYSTEM IS HOPELESSLY OUTMODED.

2. SHIPMENTS US WHEAT ARE NOW ARRIVING IN IRAN. PART UNLOADED AT PAKISTAN PORTS AND TRANSPORTED VIA RAIL FOR EAST AND NORTHEAST PORTION IRAN; ANOTHER PORTION UNLOADED TURKISH PORTS FOR RAIL AND TRUCK SHIPMENT TO NORTHWEST IRAN AND BALANCE UNLOADED BANDAR SHAHPOUR FOR REST OF IRAN. THIS WHEAT WENT STRAIGHT TO MARKET AT 10,000 RIALS M.T. AND HAS BEEN SUCCESSFUL IN LOWERING FREE MARKET WHEAT PRICES WHICH WERE RANGING FROM 18-20 RIALS KILO IN MOST MARKETS IN IRAN. GOVERNMENT SUPPORT PRICE IS 10 RIALS KILO.

3. ALIZADEH HAS FURNISHED EMBASSY WITH FOLLOWING INFO ON HIS LAST
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REPEAT LAST WHEAT PURCHASES:

A. WEEK SEPTEMBER 29 - OCTOBER 3, RECEIVED OFFERS FROM US SUPPLIERS.

B. OCTOBER 5, COMMITTEE MET AND AGREED TO ALL US OFFERS.

C. ALL US FIRMS WERE TELEXED ON SUNDAY, OCTOBER 6. OR MONDAY MORNING, OCTOBER 7, OF ACCEPTANCE OF OFFERS. ALIZADEH CLAIMS ALL US SUPPLIERS HAD ACCEPTANCE TELEGRAMS BEFORE US MARKET OPENED ON MONDAY, OCTOBER 7.

D. ACCEPTANCE TELEGRAMS CALLED FOR DELIVERY UP TO SEPTEMBER 1975 AND EACH CONTRACT STIPULATES THAT QUANTITIES CAN EXCEED CONTRACTED TONNAGE UP TO 10 PERCENT.

E. TOTAL PURCHASES AMOUNT TO 745,000 M.T. US SUPPLIERS AND AMOUNTS ARE AS FOLLOWS:

TRADAX 300,000 MT

CONTINETAL 160,000 MT

COOK 100,000 MT

ANDRE 70,000 MT

WARINCO 55,000 MT

PABACO 60,000 MT.

HELMS

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